5487690/2022/INFRA-INC01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands – APIIC Ltd – Co-ordinated Growth Policy (CGP) for conversion of land use for units located in Industrial Estates/Parks/Areas and Standalone Industrial Units which are sick as per the defnition of Insolvency and Bankruptcy Code and units which cannot operate due to pollution, urban growth and other factors – Orders – Issued.

==========

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.06 Date:04.02.2022.

Read:

From the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., through Single File No.APIIC-19025/9/2020-LW-APIIC, dt.27.08.2020.

****

ORDER:

In the proposal read above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., has submitted that representations have been received from the sick units located in industrial Estates/Parks/areas/Stand-alone units and other units which cannot operate due to pollution, urban growth for conversion of land use from that of industrial use to other uses.

2. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., has therefore requested Government to accord approval to unlock land potential of existing sick industrial units and other unviable units accordingly.

3. It was further informed that there is no comprehensive and clear policy for conversion of land use for units which are sick and other units which are unviable to operate due to environmental issues, urban growth and other factors beyond the control of the industrialists.

4. Government, after careful examination of the proposal hereby approve the "Coordinated Growth Policy (CGP)" for conversion of land use for units which are sick as per the definition of Insolvency and Bankruptcy Code and units which cannot operate due to other factors, to assist in the turnaround of sick units by permitting to unlock the land value of brownfeld assets and to leverage financial resources from such conversions. The detailed policy is appended as Annexure-1.

A. Eligibility

1. The proposed Policy will be applicable to units in APIIC estates, Government lands and stand-alone industries.

2. Conversion of land use from industrial to other land use would be allowed only for sick units and other units which cannot operate due to pollution, urban growth and other factors.

3. This change of land use would only be applicable after 10 years of land allotment by APIIC/Government or purchase by individuals, companies, etc., as the case may be.

B. Fee Structure

Sl. No.	Category	Proposed fee
1.	Industrial units located in APIIC industrial parks/ estates **and** Standalone industries units outside APIIC parks/ estates.	50% of the market value of the land **Or** Surrender of 50% of the land.
2.	Industrial Units on self-acquired land	15% of the market value of the land.

5. Detailed guidelines will be issued separately in the matter.

6. The MA&UD, PR& RD, Revenue Departments and the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

R KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Municipal Administration & Urban Development Department, A.P. Secretariat.
The Panchayat Raj & Rural Development Department, A.P. Secretariat.
The Revenue Department, A.P. Secretariat.
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, APIIC Tower, 9th to 11th Floors, Plot No.CFC-1, IT Park, Mangalagiri, Guntur District, A.P. – 522 503.

Copy to:
The Director of Industries, APIIC Tower, IT Park, Mangalagiri, Guntur District, A.P. – 522 503.
The General Administration (Cabinet) Department, A.P. Secretariat, Velagapudi. (with reference to U.O.No.22/2022, dt.21.01.2022.)
The P.S. to Additional Secretary to C.M., CMO, A.P. Secretariat, Velagapudi.
The P.S. to Hon'ble Minister (I&C, IT, SD and Trg), A.P. Secretariat, Velagapudi.
The P.S. to Chief Secretary to Government, A.P. Secretariat.
The P.S. to Spl.Chief Secretary to Govt & CIP, Ind & Com Dept, A.P. Secretariat.
The Special Chief Secretary to Government, MA&UD Department, A.P. Secretariat.
The Principal Secretary to Government, PR&RD Department, A.P. Secretariat.
The Spl. Chief Secretary to Government, Revenue Department, A.P. Secretariat.
SC/SF.

//FORWARDED BY: ORDER//

SECTION OFFICER

ANNEXURE-I

(G.O.Ms.No.06, Industries & Commerce (Infra) Department, dated 04.02.2022.)

CO-ORDINATED GROWTH POLICY (CGP) FOR CONVERSION OF LAND USE FOR UNITS LOCATED IN INDUSTRIAL ESTATES/PARKS/AREAS AND STANDALONE INDUSTRIAL UNITS

1. Introduction :

As per the Industrial Development Policy 2020-23, GoAP has identified Industrial Zoning as a key focus area to ensure a planned Industrial Development, provide a 'risk-free' investment-friendly environment for setting up of industries and minimize the impact on the environment.

However, there are many industries that are located within the urban limits wherein the abutting land use has completely transformed from industrial to other uses over a period of time.

Several representations have been received for change of land use from Industrial units which are sick as per the definition of Insolvency and Bankruptcy Code and other units which cannot operate due to other factors, to assist in the turnaround of sick units by permitting to unlock the land value.

This situation has led to the creation of an opportunity for the landowners to unlock the full potential of land in the changed environment and circumstances.

2. Existing Provisions:

The existing procedure being followed by the APIIC allows change in line of activity from Industrial purpose to either industry related commercial purpose or purely commercial purpose on payment of certain percentage of land cost as fee to APIIC. Post approval of change in line of activity by APIIC, the individual units will approach the urban authority for change of land use wherever it is required. The following table is the extract of the APIIC allotment regulation.

Sl. No.	Category	Present rate of process fee for APIIC
1	Industrial Support/industry related commercial activities like cold storage/Warehouses /Godowns, weigh bridges, Quality control laboratories, packaging units, petrol outlets.	40% on the prevailing land cost.
2	Purely Commercial activities like Business centers, Business Hotel cum Convention Centre, show room, malls or such other related activities, for such approvals the layout needs to be revised and to secure approval of revised layout.	70% on the prevailing land cost.
3	Such approvals will be subject to the extent of land relocated for such activities is not exceeding 10% of the gross industrial area or where provision for such facilities are not delineated in the layout plan.	

3. Need for a new Policy:

i. The Coordinated Growth Policy is designed to unlock land value of brown field assets and to leverage financial resources from such conversions. Through this policy, GoAP will enable Change of Land Use that best fits into the surrounding land use through an online process.

ii. The Coordinated Growth Policy aims to convert of land use for units which are sick and which cannot operate due to other factors, to assist in the turnaround of sick units by permitting to unlock the land value.

4. Policy Initiatives:

Under this policy, the land proposed to be converted for carrying out nonindustrial activities should be such that it is no longer fit for carrying out industrial activity for which the land was originally allotted. This must be substantiated by Allottee/

(Contd...p.2)

Entrepreneur who intends to file an application for land use conversion (hereinafter referred as "Applicant").

5. Eligibility:

Under the Coordinated Growth Policy, applicants may seek Change of Land Use (CLU) for land conversion under following scenarios:

i. The proposed Policy will be applicable to units in APIIC estates, Government lands and stand-alone industries.

ii. Conversion of land use from industrial to other land use would be allowed only for sick units and other units which cannot operate due to pollution, urban growth and other factors.

iii. This change of land use would only be applicable after 10 years of land allotment by APIIC/Government or purchase by individuals, companies, etc., as the case may be.

6. Terms & Conditions:

i. The industrial land applied for conversion should not be under litigation or cancellation of allotment as on the date of CLU application.

ii. There shall be no encumbrance existing on the property either physical or financial and the applicant shall submit an undertaking to this effect along with a copy of the latest Non-Encumbrance Certificate.

iii. Detailed Project Report on the proposed residential/commercial or mixed development should be submitted

iv. Applicant shall pay the required processing fees to local authorities concerned in addition to the payments required to be made towards NOC by APIIC.

v. CLU cannot be claimed as a matter of right and shall be considered in the cases which qualify the criteria prescribed herein above to ensure coordinated growth. Further, any such application so fled, may be rejected by the Nodal Agency for reasons to be recorded in writing, if any such proposal fails to fulfill the criteria above.

vi. The Government of A.P may in larger public interest or in the interest of overall development of State, may modify or relax any of the conditions stipulated herein for reasons to be recorded in writing.

vii. Applicants shall use the online portal of the EoDB to file the application. APIIC shall examine applications as per the policy. Applicant shall be provided CLU under the policy subsequent to due-diligence, necessary approvals and payment of applicable fee.

7. Procedure

CLU for Industrial Estates/Areas and Standalone Industries

i. The entrepreneurs who wish to seek Change of Land Use (CLU) in Industrial Estates/Areas and Standalone Industries shall submit their application online through the portal "EoDB portal" with the following documents:
   a. Details of the land (copy of the title deed/ sale deed) along with zoning details, photographs of site, photographs of surrounding areas and other evidence supporting their case.
   b. Justification for change of land use.
   c. Non-Encumbrance Certificate
   d. Detailed Project Report (specifying the purpose for change of land use)
   e. Other KYC Documents

ii. The nodal agency (APIIC) shall scrutinize the online applications within 3 days from the date of receipt of the applications with regard to submission of required documents for seeking the CLU .

(Contd...p.3)

iii. If the nodal agency requires any other additional document or information, it shall notify the same to the applicant through online immediately.

iv. The additional information shall be submitted by the applicant within 15 days.

v. APIIC shall scrutinize the applications received as per eligibility criteria prescribed under this Policy.

vi. The Nodal Agency shall forward all the eligible applications seeking CLU to UDAs/Local Bodies concerned within 7 days.

vii. UDAs/Local Bodies concerned shall examine the applications as per the existing rules and shall communicate their in-principle approval for change of land use duly raising the demand for the requisite fee payable to them within 30 days from the date of receipt of the application.

viii. The Nodal Agency, on receipt of in-principle approval, shall raise the demand as per the fee structure provided in clause 8 of this policy, for providing no objection for land conversion.

ix. On receipt of payment both due to the APIIC & UDA/ Local Bodies concerned, the Nodal Agency shall forward the CLU applications along with payment details, to the UDA/ Local bodies concerned, for final approval.

x. On receipt of applications from the Nodal Agency along with requisite fees, the UDA/ Local bodies concerned shall issue CLU Certificate, within 7days, which can be downloaded by the applicant online.

8. Fee Structure :

As per the new Coordinated Growth Policy, applicants need to either pay the fee or transfer share of the land in lieu of fee, to obtain no objection from APIIC, for change of land use (CLU).

Category		Proposed Fee
1	Industrial units located in APIIC industrial parks/ estates and Standalone industries units outside APIIC parks/ estates	50% of the market value of the land Or Surrender of 50% of the land
2	Industrial Units on self-acquired land	15% of the market value of the land.

9. Nodal Agency:

i. Andhra Pradesh Industrial Infrastructure Corporation (APIIC) had played a vital role in the promotion and development of Industries in the State and is the custodian of the Industrial lands.

ii. Accordingly, for the purpose of implementing the Coordinated Growth Policy, APIIC will be the nodal agency for receiving &processing the applications, collecting the relevant fee and taking possession of the land surrendered by the industry as a part of CLU approval.

iii. In order to safeguard the widespread environmental degradation which can cause significant adversities to human health, Nodal Agency shall encourage hazardous/Polluting industries, activities to shift their industrial units to newly developed industrial areas outside the urban growth, duly permitting for change of land use of existing land.

10. Payment Terms:

i. The applicant will have 3 months to complete the payment of the required amounts or surrender the land to obtain CLU from the date of communication of the in-principle approval through online.

ii. In case of failure to pay the amount or surrender of land within 3 months as per the in-principle approval, the approval shall stand cancelled.

R KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP